## REMARKS

The foregoing amendment is to place dependent claims into independent form rather than to avoid prior art.

Applicants respectfully request reconsideration of this application as amended. Claims 9-48 are pending in the application; Claims 10-16 and 26-38 are withdrawn by the Examiner from consideration; Claims 9, 17-25 and 39-48 are rejected. Claims 9-14, 17-18 and 41-48 are canceled. Claims 19-22 and 25 are amended.

Applicant has elected to cancel some claims and to pursue allowance of other pending claims. Applicant respectfully notes that in the Office Action mailed September 6, 2006, interpretations or characterizations by the Examiner include inferences and/or potential limitations, to which Applicant does not wholly agree. Being respectful of the Examiner's time, Applicant will not address all such interpretations or characterizations in this paper, especially as they apply to any canceled claims. Applicant reserves future rights to dispute any portion or all of said interpretations or characterizations if it becomes necessary.

## Rejected Claims

Claims 9, 17-19 and 41-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 6,836,621 to Bendelli.

With regard to Claim 19, the Office Action states that Bendelli teaches the Bragg grating defines a Fabry-Perot cavity and that tuning can be carried out by means of voltage command. Applicant respectfully submits that the Fabry-Perot cavity 8 described with regard to Figure 3 is not deployed in a Sagnac interferometer as set forth by Claim 19, as amended. Nor is Bendelli's phase control element 7 of Figure 3 coupled with a Sagnac interferometer to control the power of the added or dropped signal.

Applicant respectfully submits that without viewing the prior art in retrospect with the aid of appellant's disclosure, no suggestion is provided by Bendelli to combine the embodiment of Figure 1 with the embodiment of Figure 3 to arrive at the invention set forth by Applicant's Claim 19.

Claims 39 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bendelli in view of U.S. Patent 5,999,292 to Dennis.

As stated above, the Examiner admits that Bendelli does not suggest the use of phase control element 7 to control the power of added or dropped signals as set forth in Claim 39. Nor does Dennis provide such a suggestion.

Applicant has argued in the previous response, filed June 14, 2006, that Dennis is directed to optical time division multiplexing (OTDM) (co. 2, lines 4-30. On the other hand, Claim 39 sets forth a wave-division multiplexing (WDM) system, which is fundamentally different than the OTDM multiplexer of Dennis.

For example, in an OTDM system such as the one shown by Dennis, the modulators are driven by a single frequency (Abstract; col. 2, lines 4-11). In particular multiple slower rates (e.g. 10 Gbit/s) are interleaved on a higher bandwidth data steam (e.g. 100 Gbit/s).

Therefore, Applicant respectfully suggests that a modified multiplexer of Dennis would not be expected to perform WDM instead of OTDM. Hence without viewing the prior art in retrospect with the aid of appellant's disclosure, the combination of Bendelli and Dennis to arrive at the invention set forth in Claim 39 is not obvious.

Accordingly, Applicant requests the Examiner withdraw the rejection of Claims 39-40 under 35 U.S.C. 103(a).

Applicant believes that the dependant claims are also allowable at least due to their dependence from a patentable independent claim.

Therefore, Applicant believes that Claims 15-16 and 19-40 are presently in condition for allowance and such action is earnestly solicited.

## **CONCLUSION**

Applicants respectfully submit the amended specification, the amended drawings, and the present claims for allowance. If the Examiner believes a telephone conference would expedite or assist in the allowance of the present application, the Examiner is invited to call Lawrence Mennemeier at (408) 765-2194.

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN

Date: 1-8-07

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